Children's Health Insurance Coverage Bills

July 17, 2007

	CURRENT LAW	CLINTON/DINGELL: CHILDREN'S HEALTH FIRST ACT (S 895/HR 1535)	ROCKEFELLER/SNOWE: CHIP REAUTHORIZATION ACT OF 2007 (S1224)	GRASSLEY/BAUCUS (Based on author's description; no language available)
ELIGIBILITY				
Children's Coverage	**Income** • SCHIP up to 200% FPL or 50% points above income level at enactment	**Income** • SCHIP up to 400% FPL • Unsubsidized SCHIP buy-in for higher-income children (required for state that expand to 400% FPL)	**Income** • State option to expand to 300% FPL or 50% points above income level at enactment • Option to expand further if state meets conditions	**Income** • SCHIP up to 300% FPL • Option to expand above 300% of FPL, but will not receive the enhanced federal matching rate; will receive the standard FMAP rate (States already covering children above 300% FPL are exempt from this)
	Immigrants • 5 year ban after obtaining citizenship **Age** • Up to age 19	**Immigrants** • All legal citizens are eligible **Age** • Up to age 25	**Immigrants** • All legal citizens are eligible **Age** • No change	**Immigrants** • 5 year ban after obtaining citizenship **Age** • No change
Coverage for Other Groups	**Waivers for:** • Pregnant women • Parents • Childless adults prior to 2005	**Pregnant women** • If Medicaid eligibility to 185% FPL, children's coverage at 200% FPL, no higher than kids eligibility limit • Includes documented immigrants	**Pregnant women** • If Medicaid eligibility to 185% FPL, no higher than kids eligibility limit • Includes documented immigrants	**Pregnant women** • If Medicaid eligibility to 185% FPL, no higher than kids eligibility limit • Children born to these women are eligible for Medicaid or CHIP from birth to age 1
ENROLLMENT AND OUTREACH				
Eligibility Simplification	• States have a number of options to simplify the application • States are required to check citizenship documentation for Medicaid	• Express Lane option (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) • State option for how to assess citizenship; automatic newborn eligibility • Model for interstate coordination	• Express Lane option (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) • State option for how to assess citizenship; automatic newborn eligibility	• Extends Medicaid citizenship documentation requirements to SCHIP; states match applicant names and SSNs to the SSA. • If no match with SSA, 90-day "grace period" to comply • Express Lane option (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP)
Financial Incentives	None	• Increased federal matching rate for children's coverage in Medicaid if states implement continuous eligibility, model outreach and enrollment practices • Increased federal matching rate linked to upper income	• Increased federal matching rate for children's coverage in Medicaid if a state's: - Medicaid enrollment growth exceeds benchmark or - Participation rate of low-income children in	• For increases in Medicaid enrollment: - $75 for each individual enrolled up to 2% above the baseline - $300 for each individual enrolled between 2% and 5% above the

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Financial Incentives cont.		eligibility limit; equals SCHIP enhanced matching rate for states with upper income limits at 400% FPL	Medicaid or SCHIP is at least 90% and it meets specified process measures • Increase proportional to performance in both cases, up to a limit of an 85% federal match	baseline - $625 per individual enrolled above 5% of the baseline - FY2010 onward, incentive amount increases based on projected per capita spending • $100 million for each of FYs 2008-2012, in addition to the annual allotments
Waiting Lists	• Allowed in non-Medicaid SCHIP programs	• Prohibits waiting lists	• Prohibits waiting lists as a condition of receiving higher FMAP (Financial Incentives for Outreach)	• Not addressed
COVERAGE				
Benefits	**Must be benchmark or equivalent coverage** • FEHBP BCBS • State employees' plan • Most popular HMO • Pre-existing coverage • Secretary-approved plan • Must cover certain services	• Requires that state-employee benchmark be the most popular family coverage option • Ends use of Secretary approved coverage • Requires EPSDT services including dental services, FQHC and RHC services	• Requires that state-employee benchmark be the most popular family coverage option • Requires coverage of dental and mental health • Ends use of Secretary approved coverage • Clarifies Medicaid EPSDT	• Technical changes to EPSDT under Medicaid
Employer-based coverage	**Premium assistance waiver: States can subsidize children's coverage in employer plans if:** • Employers contribute 60% • Coverage is cost-effective • Coverage is as generous as in SCHIP	• Buy-in: Permits states that cover children up to 200% FPL to allow employers and families to buy-in to SCHIP • Support for employer coverage: Permits states that expand to 400% FPL to provide financial assistance (up to 50% of the cost per child) to employers who cover children in family policies with benchmark benefits	**Modifies premium assistance to:** • Simplify the family-based and state-level cost effectiveness test • Includes disclosure requirements for group health plan benefits • Maintains and strengthens current-law requirements regarding cost sharing and wrap-around coverage	**Premium assistance: States can subsidize children's coverage in employer plans if:** • Employers contribute 40% • Coverage is cost-effective (per new test) **Qualified employer-based coverage does not include:** • Health Flex Spending Accounts • HDHPs with an HSA **Loss of Medicaid or SCHIP eligibility is a "qualifying event" for purposes of eligibility for employer-based coverage**
FINANCING				
Funding Level	**States' allotments are a share of a national amount:** $5 billion in FY 2007, $25 billion over 5 years	• Unlimited funding above baseline due to entitlement structure.	• $50 billion above baseline over 5 years	• $36.4 billion above baseline over 5 years
Funding Sources		• None	• None	• 61¢ per pack tobacco tax (except for Federally Qualified Health Centers, financed by Medicaid Pharmaceutical rebates)
Distribution Formula	**National amount allocated by states'** • Number of children (equal blend of low-income	• States' allotments are based on states' past spending trended by pre-set growth factors (see distribution	**National amount reduced by 5% (see "adjustment") and allocated by:** • Historical spending,	**FY 2008, 110% of the greatest of the following:** • FY 2007 spending multiplied by the annual

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Distribution Formula cont.	children and low-income, uninsured children) and • Geographic adjuster Subject to floors and ceilings	formula) • States' allotments equal FY 2007 spending, increased by growth in per-capita national health spending and state child population growth • Rebased every 2 years to actual spending	trended by growth in per-capita national health spending and U.S. child population growth • Share of low-income, uninsured children, adjusted for state wage factor • Floors protect allotments • Rebased every 2 years to actual spending	adjustment or • FY2007 allotment multiplied by the annual adjustment or • If FY 2007 allotment exhausted, FY 2007 projected spending as of May or Nov. 2006 multiplied by annual adjustment or • FY 2008 projected spending as of Aug. 2007 **For 2009-2012 allotments:** • 110% of projected spending • If state allotments as calculated exceed available national allotment, then distributions based on: - States' projected spending; - States' number of low-income children; - States' projected spending for preceding FY; or - States' actual spending for second preceding FY
Adjustment of Allotment due to Higher-than-expected Costs	• None	• Allotment automatically adjusted for enrollment of children above a baseline	• 5% of national amount set aside to allocate to states whose costs exceed their allotments	• Contingency Fund is established (12.5% of each year's national allotment), used to supplement shortfalls of less than 5% of state's annual allotment or shortfalls over 5%, if certain conditions are met
Distribution/ Redistribution	• 3 years to spend federal allotments	• 2 years to spend federal allotments	• 2 years to spend federal allotments • Unused funds get recycled	• 2 years to spend federal allotments • Unused funds finance the incentive bonus pool
Territories	• Amount equal to 0.25% of national amounts specified in law	• Territories' allotments determined the same way as states', including enrollment adjustment	• FY 2008—sets allotments for territories at highest level from 1997 through 2007 multiplied by adjustment • Exempts increased federal matching rate for reporting from territories' cap • GAO study funding	• Amount equal to 0.25% of national amounts specified in law • FY 2008—sets allotments for territories at highest level from 1998 through 2007 multiplied by adjustment • Exempts increased federal matching rate for reporting from territories' cap • GAO study funding
OTHER POLICIES				
Other Increased Federal Matching Rates	None	• 90% match for school based out-reach and enrollment efforts • 75% match for IT to improve eligibility computer systems; for outreach and enrollment efforts in multiple	• 75% match for IT to improve eligibility computer systems, for outreach and enrollment efforts in languages other than English, and for quality measures reporting	• 90% reimbursement for IT costs related to development of name and SSN verification systems; 75% reimbursement for the operation of such systems

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Other Policy Changes		• Creates Medicaid SCHIP Payment Advisory Commission (MACPAC)	• Creates Medicaid and SCHIP Payment and Access Commission (MACPAC) • Develops measures and funds demonstrations to promote quality • Childhood obesity demo ($25 million over 5) • IOM study and report on children's access to care ($1 million) • Funding for Census to improve data collection ($20 million annually) • Periodic reports to Congress on improving care, quality • Moratorium on Payment Error Rate Measurement requirements	• **$45 million for FY 2008-FY 2012 for child health quality improvements, including:** - Quality child health initiative within HHS to develop measures and improve reporting - Institute of Medicine study on measures of children's health status - Demonstration projects for evaluating promising ideas for improving children's quality of health care - Requires that $5 million be set aside for the development of a model electronic health record format for children in Medicaid and SCHIP. • For translation services: either 75% match rate or sum of enhanced FMAP rate and 5 percentage points, whichever is higher • $200 million over 5 years for dental services • Mental health parity to medical benefits • Establishes Federally Qualified Health Center prospective payment system for SCHIP - Requires reimbursement of FQHCs based on the Medicaid prospective payment system.